

CAPITAL PLANNING ADVISORY BOARD

Minutes of the Third Meeting of the 1998 Calendar Year

September 22, 1998

The third meeting of the Capital Planning Advisory Board (CPAB) of the 1998 calendar year was held on September 22, 1998, at 9:00 a.m., in Room 102 of the Business Building at Murray State University (MuSU). Representative Fred Nesler, Chairman, called the meeting to order.

Present were:

Members: Representative Fred Nesler, Chairman; Bill Hintze, Vice-Chairman; Secretary James Codell, Lou Karibo, Jim Nealy, Norma Northern, Nick Schwendeman, and Judge Edwin White.

Guests: Senator Joey Pendleton; Ken Walker, Council on Postsecondary Education; Terry Thompson, Cabinet for Families and Children; Bryan Stewart, Transportation Cabinet; and President Kern Alexander, G. Dewey Yeatts, Tom Denton, Gary Brockway, John Yates, Jim Rudolph, and Buddy Buckingham, Murray State University.

LRC Staff: Pat Ingram and Mary Lynn Collins.

Chairman Nesler welcomed the new board members, Ms. Norma Northern, Director for Finance, Council on Postsecondary Education (CPE), and Mr. Jim Nealy, Logan County Circuit Clerk. The new members replace Ms. Beth Hilliard and Ms. Diane Thompson.

Chairman Nesler said it was good to be in the district of Representative Freed Curd and Senator Bob Jackson and introduced Senator Joey Pendleton, who was in attendance. Chairman Nesler said all three legislators had been very helpful to MuSU. He also introduced Mr. Sherron Jackson, of the CPE Staff, and Mr. David Banks, the CPE's consulting architect, who would be participating in the meeting later through teleconference communication from the CPE offices in Frankfort.

Chairman Nesler next provided some background information about the Capital Planning Advisory Board for the audience and new members. He said the Board was created by the 1990 Kentucky General Assembly and is comprised of members of the three branches of government. It has a responsibility, every two years, to develop a

statewide capital improvements plan with recommendations to the heads of the 3 branches of the government. Chairman Nesler noted that he has had the pleasure of serving on the Board and as its chairman since 1995. He also introduced Bill Hintze, Deputy State Budget Director in the Governor's Office for Policy and Management, who has served on the Board since 1990 and is currently its vice-chairman.

Chairman Nesler said this is the first time the Board has met outside of Frankfort and expressed his appreciation for the generosity extended to everyone by Murray State University. He also said the Board was sorry about the recent dormitory fire in which one MuSU student had died and others were injured.

Chairman Nesler then introduced MuSU President Kern Alexander to make some remarks. President Alexander said he was pleased that the Board came all the way to Murray for its meeting, then provided some information about the University. He noted that headcount enrollment at MuSU had increased by approximately 1,000 thousand since 1994, compared with an increase of 900 students in the 24 years between 1970 and 1994. The current enrollment is 9,000 students. President Alexander said no new academic facilities had been added at MuSU during this period of increasing enrollment. He endorsed the space utilization analysis, which the CPE will be undertaking over the next year, and said MuSU has already instituted such an analysis. President Alexander also said the state needs to return to a formula-based approach for postsecondary education which provides funds on a per unit basis; he said the current percentage increases on the base do not cover enrollment increases. In fact, funding per student has decreased at MuSU.

President Alexander directed the attention of the members to a chart, which showed the capital construction funding per student appropriated to each university by the 1998 General Assembly. He said the \$10,184,000 allocated to MuSU is the smallest amount per full time equivalent (FTE) student appropriated to any institution in the system. The chart showed a range from \$4,588 per FTE student at Kentucky State University to \$1,445 per FTE student at MuSU.

President Alexander noted that the project eventually authorized for MuSU by the 1998 General Assembly differed from the top priority reviewed by the Board in July of last year. He explained that after MuSU's 1996-2002 capital plan was submitted, House Bill 1 (the Postsecondary Education Reform Act of 1997) was passed by the General Assembly and CPE asked the institutions to re-examine their requests based on the priorities in that legislation, particularly the mandate to establish centers of distinction. As a result, MuSU requested and received flexibility to allocate its \$10,184,000 state funding authorization among three projects – renovation of Carr Health, construction of an addition to the Special Education Building, and renovation of the Business Building to

accommodate MuSU's Center of Distinction. The University was also authorized to expend \$4,000,000 in "Other Funds" for the health and wellness portion of this project.

President Alexander said that several factors would take the pressure off of the need for a major renovation of Carr Health. Physical education and health facilities would be available via a joint arrangement among MuSU, the YMCA, and the local hospital under which the hospital would construct a building on land provided by the University. Additionally, the new Regional Special Events Center has been altered to make it a more student-oriented wellness facility (inclusion of soft flooring, a weight room, indoor track, tennis courts, volleyball courts, and basketball courts) when other events or shows are not being held. President Alexander explained that an addition to the Special Education Building is needed in order to consolidate the College of Education, which is dispersed throughout campus.

Next President Alexander discussed housing on the campus. Instead of high rises, MuSU is proposing to construct 2 or 3 story buildings, which would house 40-50 students each, in quadrangles. He said small buildings are safer and more accommodating to students; they also eliminate the problem of having elevators which are very costly to repair and renovate.

President Alexander explained that MuSU has broken the 9,000-student university into 8 "colleges" for residential purposes. Each college (or dormitory) has its own teams, library, etc. and about 40 faculty assigned to it in order to promote more faculty interaction with students and a community atmosphere. This is the approach long used by Oxford and Cambridge in England and Yale and Harvard here in the US. He said the 1998-2000 budget authorizes MuSU to use agency funds to replace the existing Richmond Hall (College) and Clark Hall (College) with smaller units. Rather than constructing a single large facility, this approach makes building new dormitories easier because two can be done this year and two more next year.

President Alexander said MuSU identified and the CPE approved a Center of Distinction for the University in telecommunication systems management. The program will train mid-level managers and is based on an interdisciplinary approach which focuses on 2 of MuSU's strengths – its College of Business and its College of Industry and Technology. President Alexander also noted that MuSU has a large agriculture program and will have as a priority in the next legislative session construction of a new agriculture telecommunications facility on land which will soon be acquired adjacent to the West Farm.

President Alexander noted that House Bill (HB) 1 in the May 1997 Special Session gave MuSU the duty of serving 22 counties in Western Kentucky and the 1998-2000 budget provided debt service for a \$6.5 million facility in Hopkinsville in which

MuSU will play a key role. He said MuSU is working with community leaders and the president of the Kentucky Community and Technical College System in planning for the building which could serve 2,000-3,000 MuSU students; it would provide for upper division and master's degree programs and be the connection for the Commonwealth Virtual University in the Hopkinsville area. Hopefully, this will keep some Hopkinsville students in state rather than going to Austin Peay University in Tennessee.

President Alexander then offered to respond to questions from members. Chairman Nesler asked him to address MuSU's recent decision to handle its capital projects pursuant to the provisions of HB 622.

President Alexander explained that HB 622, which was enacted in the early 1980's, gave the institutions autonomy to elect to conduct their own affairs in several areas including accounting, auditing, management of fiscal affairs, and management of construction projects. MuSU had previously opted for all of the provisions except managing its own construction projects, and recently sought and received this authorization. President Alexander pointed out that 611 school districts in Ohio and 1,000 school districts in Illinois manage their own projects. He said MuSU has the technical expertise to manage construction of its own facilities. He added that while they will still need to consult with individuals in Frankfort such as Bill Hintze, MuSU can select its own architects and engineers and manage the projects more efficiently and economically than can be done from Frankfort.

Chairman Nesler thanked President Alexander then welcomed Chief District Engineer Bryan Stewart who was representing Secretary Codell until his arrival. He next asked the Board's Administrator, Pat Ingram, to comment on the materials in the meeting folders.

Ms. Ingram briefly described the following items which were provided as background for today's discussion of postsecondary education facilities maintenance:

- A summary of the Postsecondary Education Reform Act of 1997,

- An overview of the physical plants of the Kentucky postsecondary education institutions,

- A status report on previous recommendations of the Board related to postsecondary education, and

- A summary and copies of the responses of the postsecondary education institutions to the CPAB questionnaire on facilities maintenance and planning.

Chairman Nesler asked if members had any questions about the materials. Mr. Hintze asked if Ms. Ingram had detected, in the responses to the questionnaire, any differences relative to maintenance between the institutions operating under the capital

construction provisions of HB 622 and the institutions not operating under those provisions. Ms. Ingram said there was nothing obvious from the responses in that regard.

Chairman Nesler said the Board had hoped to hear from the new head of the Council on Postsecondary Education; but due to a scheduling conflict, President Gordon Davies could not be in attendance today. Chairman Nesler then introduced Mr. Ken Walker, CPE Deputy Executive Director for Finance, Facilities and Data Management, and said that Mr. Walker and Mr. Hintze would be addressing the next section of the agenda on funding and project management for postsecondary education capital projects.

Mr. Walker expressed President Davies' regrets at not being able to attend the meeting today, but said the President looks forward to speaking to the Board at its next meeting. Mr. Walker said that in comparison to 10 to 20 years ago, the state is in a much better situation relative to capital projects today, and the existence of the Board has contributed to that improved situation. He said that under the leadership of President Davies, the Council would be committed to contributing to further improvements in the process.

Mr. Walker stated that the biennial capital process for postsecondary education begins with the institutions submitting their 6-year capital plans in the spring of odd-numbered years. David Banks, the CPE's consulting architect, and Sherron Jackson from the CPE staff have, for several biennia, made statewide tours visiting the university campuses; these visits included the technical colleges last year. Mr. Walker said the Council believes having the outside perspective of Mr. Banks is important in reviewing projects.

Mr. Walker said the focus of the Council's attention from April until November is the first 2 years of proposed projects in the capital plans, which generally represent the institutions' biennial budget requests. He said the CPE staff has taken very seriously the priorities placed by institutions on their own capital projects. The Council believes that local control is the best control, and under the leadership of President Davies that would become even more obvious.

Mr. Walker said the Council also takes seriously and relies heavily upon the independent report prepared by Mr. Banks. He explained that CPE does not have an architect on staff and goes through a bid process each biennium for the selection of a consulting architect. While it is an open process, Mr. Walker noted that over a number of biennia Mr. Banks' proficiency and expertise has made it difficult for other architects to compete in the selection process.

Mr. Walker said in preparation of the staff's recommendation to the Council and the Council's subsequent recommendation to the Governor and General Assembly, the

categories of priority for projects have been fairly consistent over time, with emphasis on maintaining the existing facilities. While the recommendation usually includes at least one new building, categories such as life safety, deferred maintenance, and renovation of existing facilities have consistently been higher priorities than the construction of new facilities. Mr. Walker pointed out that the result of the Council's work is a series of recommendations to the Governor and the General Assembly and that the CPE has no final authority to approve or not approve a capital project; that authority rests with the General Assembly.

Mr. Walker noted that at the September 14 CPE meeting, President Davies reported to the Council observations from his visits to all of the public universities, community colleges, technical colleges, and most of the private institutions since coming to Kentucky 3 months ago. Quoting President Davies, Mr. Walker said:

“We also need space planning guidelines and space utilization standards. With them, we could make much better recommendations to the Governor and General Assembly about the priority needs of Kentucky's colleges and universities. Without them, capital outlay decisions have little if any educational rationale.”

“And we should establish budget and accounting procedures that recognize capital projects as institutional liabilities as well as assets. Physical space is one among many strategic assets of a college or university and institutional leaders should have to determine its priority compared to the others. But under the present procedures, buildings have few real costs to institutions. The state pays for them and then pays for their maintenance and operation. This inevitably leads to their being regarded as ‘trophies’ by the institution and their supporters alike.”

“Second, we need to streamline the oversight of Kentucky's colleges and universities. This will require the Council to change the way it does its work and possibly to request changes in the responsibilities assigned to it by statute. It may require the Council to suggest ways in which other parts of state government could change their regulatory processes.”

“Colleges and universities will not become distinctive by regulation or top-down control. Experience in the private sector seems to confirm that organizations that spread decision-making responsibility through all levels of management get more creative and entrepreneurial behavior as a result. The Council's emphasis should be upon investing in good ideas, challenging institutions to do better, mediating the conflicts that are inevitable when choices have to be made among good ideas, and developing performance standards that have funding and other resource consequences.”

Summarizing these remarks, Mr. Walker said that under President Davies leadership, the CPE would move to become less regulatory and to recognize the statutory intent that the boards of regents and trustees at the institutions should be relied upon to manage their resources and to make good decisions. He said CPE would become an advocate for good ideas and for other areas of government, including perhaps even this Board, to deal with the institutions in ways so that they can become the best institutions possible. He said concomitant with that would be an expectation that the institutions would perform and would manage their resources reasonably and efficiently. He said CPE would sometimes be required to say no, because not every idea is necessarily a good idea from the state's perspective. Mr. Walker then turned the presentation over to Mr. Hintze.

Mr. Hintze said he would speak from the perspective of his role in dealing with capital projects as Deputy Director of the Governor's Office for Policy and Management. His presentation would focus on the process after the CPE recommendations for postsecondary education are received and how that compares to the process for the rest of government. Mr. Hintze said there are crucial historical, legal and policy distinctions for postsecondary education relative to the recommendation of the budget by the Governor and its enactment by the General Assembly.

As part of the ordinary budget process, GOPM works with key advisors to the Governor, the Governor's Cabinet, and the Finance Cabinet to winnow down the list of projects to something that reflects both the policy priorities of the gubernatorial administration as well as the policy priorities and needs of the postsecondary education community.

Mr. Hintze said they try and array competing demands for the limited dollars within the fund sources that the state has available – including bonds as well as state general funds. Mr. Hintze reminded members that during the last meeting it was noted that only about \$10-15 million is available to fund maintenance pools and other specific maintenance projects for the rest of state government. Mr. Hintze said that is the context for maintenance funding in the state. There is not much maintenance money to go around, and there are maintenance needs that overflow the system, with some facilities in other areas of state government being a century or more old. He said they look at postsecondary education's needs and its ability to fund those needs in the context of history and experience as well as the emerging and long deferred needs, and the priority rankings of the needs by CPE and by the institutions.

Mr. Hintze said much weight is placed on the fact that there has already been a lot of distillation and serious review of the projects for postsecondary education before the recommendation gets to the Governor and GOPM. Last time, they deferred greatly, but not exclusively, to what was in the CPE recommendation. The administration went

beyond what CPE had initially recommended and funded the top priorities of all of the 4-year institutions in the 1998-2000 budget.

Mr. Hintze said the meeting today is more on maintenance than on capital construction, but the two are inextricably intertwined. The state tends to fund the general fund or general fund supported bond needs of postsecondary education, thereby leaving all else to be funded from restricted or agency funds, such as tuition. Housing and dining projects are funded from items such as dormitory rental changes, parking fees, etc.

Mr. Hintze said the executive branch uses an adaptation of the maintenance pools concept used elsewhere in state government for postsecondary education by supporting pools for categories of projects that cut across institutions, with the primary one having been life safety. These pools have been funded from general fund supported bonds. Such pools have also been used over time to address various other high priority issues; a new priority in the 1998-2000 budget was a pool for deferred maintenance and government mandate projects. For these bond pools supported by general fund debt service, the budget does not say which project is the first priority. It vests in the CPE the authority to take applications and select the top priorities that need attention based on a review during the interim, not during the legislative session. This is different from how general fund supported bonds are handled in the budget for other areas of government.

Mr. Hintze explained that another series of pools, called agency bond pools, fund projects for which debt service can be derived from agency or restricted funds. They use the same type of application process to the CPE as the other pools that were just described. This process is to allow for more flexibility to recognize that there are more needs and demands than can possibly be addressed and allows the review and recommendation process to be done by the agency with the most information.

Mr. Hintze said changes embodied in HB 1 from the May 1997 Special Session and in HB 321, the 1998-2000 Appropriations Act, overlay what has been done before and need some ongoing sorting out by the CPE, the institutions and boards such as CPAB. He noted that technical college projects which had been handled as traditional capital construction projects through the Finance and Administration Cabinet have been melded with the community college system projects which had been handled by UK, based on its election to operate under the provisions of HB 622. Now community college projects, except those of Lexington Community College, are being treated like the technical school projects. Whether this is a permanent transition is an open question but currently the Finance Cabinet is trying to get a handle on the community college projects, which it had not dealt with previously.

Mr. Hintze said there is also a need to work out how to deal with the new regional postsecondary education centers approved in the 1998-2000 budget including the one in

Hopkinsville referenced earlier by President Alexander. These are a combination effort between regional universities, the community colleges, and the technical colleges to have either shared facilities and new locations or separate facilities in old and new locations, financed from general fund supported bonds. The decision making process differs for each location.

In conclusion, Mr. Hintze said the changes in HB 1, all of the projects in HB 321, and the new postsecondary education incentive funding pools have created a system in evolution in which some of the old rules and historical patterns no longer apply. He said these portend changes for this Board and possibly for the character of postsecondary education capital plans that will be forthcoming. This may not have been anticipated when CPAB prepared its last plan in 1997, but how postsecondary education capital plans and projects are dealt with is rapidly evolving.

There being no questions for Mr. Hintze, Chairman Nesler asked Mr. Walker to next address the development of postsecondary education maintenance standards and technology replacement standards as required by language in HB 321. Mr. Walker said this language had been included in CPE's biennial budget recommendation; and while it was not included in the executive branch budget recommendation, it was inserted and approved by the General Assembly in the enacted budget.

Mr. Walker said the Council's intent in including the language in its recommendation was to draw attention to the need for the institutions to take seriously the matter of facilities maintenance. The release of funds for new facilities coming on-line during this biennium as well as the release of funds for new projects authorized for construction this biennium would be tied to institutional commitments to the maintenance standards. CPE staff, working with David Banks and others and reviewing materials from the Association for Physical Plant Administrators (APPA), proposed an approach and shared it with the institutions and reported the schedule to the Council at its July meeting. Upon its review, the approach was seen by the institutions as difficult, if not impossible, to implement. Since the intent was not to create another bureaucratic process but to have the institutions put forth a visible and sincere effort to maintain their facilities, CPE staff worked with the institutions to revise the approach. The institutions were asked to make a commitment to the proposed standard by October 1; from the responses thus far, Mr. Walker said it appears there will be a uniform commitment to this approach.

Mr. Walker then read from the proposal which was submitted to the institutions that the maintenance standard be implemented and monitored as follows:

Each institution will prepare and commit to implement a routine maintenance and preventive maintenance program and schedule addressing all major building systems.

Each institution will commit to annually inspect the major systems of each building and to complete routine and preventive maintenance to achieve at least 90% of the expected useful life of each system.

Each institution will be prepared to present baseline information (based on capital projects over the past 6 years) of the average useful life of building systems on its campus.

By October 1, 1998, the president of each university and KCTCS will report to the Council committing to the maintenance standard, committing to develop the routine and preventive maintenance program and schedule by April 15, 1999 (the statutory due date for the 6-year capital plan to be submitted to the Capital Planning Advisory Board), and committing to develop a building systems baseline by April 15, 1999.

The biennial evaluation of facilities by Council staff and a consulting architect is expected to continue.

Mr. Walker stated that a literal interpretation of the HB 321 language might be that facilities maintenance plans had to be finalized before funds for facilities coming on-line or new capital projects were released to the institutions. However, it is not the intent of the Council staff or Council members that funds appropriated by the General Assembly be withheld until this is done. Consistent with the Council's goal of deregulation, the emphasis is on having presidential commitment to the standard and to creating the plans, then releasing the funds and holding the institutions responsible for following through on those commitments after the fact.

Mr. Walker said that deferred maintenance is a continuing concern in higher education across the country as well as in Kentucky. The CPE staff has not seen a good system for addressing this problem elsewhere, so it is not going to rely on what has been done around the country but will proceed with the approach just described which associates some responsibility with receiving a new project from the General Assembly.

To address Mr. Hintze's earlier question about any differences in maintenance between the institutions operating under HB 622 and those not operating under HB 622, Mr. Walker said he did not believe there was a connection. Conventional wisdom has been that the University of Kentucky (operating under HB 622) and Eastern Kentucky University (not operating under HB 622) are the "best maintained" campuses in Kentucky. He said this may be based on superficial as much as technical evidence – having a campus that appears to be well maintained may or may not indicate that the building systems are also well maintained.

With regard to the maintenance standard, Mr. Walker said the baseline data (covering a 6 year period) will be an indicator of institutional commitment to building systems and gave the following example. If roofs are expected to last 20 years and the 6 years of data show that an institution's roofs last 15 years on average, it could indicate either that the institution had a streak of unfortunate situations or, more likely, had not followed procedures for maintaining the roof systems. Conversely, if the roofs have lasted longer, that would probably indicate the institution had made extra efforts to maintain them.

Mr. Walker stated that the most difficult task in moving forward with this standard would be dealing with the existing backlog. He said that from the last budget request Mr. Banks had identified approximately \$150 million in deferred maintenance and government mandates projects. The 1998-2000 pool will provide \$50 million (\$25 million in state funds matched by \$25 million in institutional funds), thus leaving \$100 million of need remaining. Mr. Walker said this backlog needs to be addressed even as efforts to implement the new standards move forward.

Relative to the request that he address how other states deal with postsecondary education facilities maintenance, Mr. Walker said the most recent information was a 1992 report by the National Association of College and University Business Officers (NACUBO). His review of the NACUBO report indicates it contains nothing that has not already been discussed or used in Kentucky. Mr. Walker said at this point the Council is more interested in breaking new ground via such approaches as the maintenance standards, the treatment of capital projects as liabilities as well as assets, and the use of space standards and space utilization as critical elements of the request process.

Chairman Nesler thanked Mr. Walker for his presentation and reiterated the importance the Board continues to place on maintenance of the state's facilities. He expressed the appreciation for the Council's work and encouraged everyone to stay the course in this regard.

Noting that the Board had previously heard about the work of the Council's consulting architect, Chairman Nesler said the members looked forward to hearing from him in person today. He then turned the meeting over to Sherron Jackson and David Banks.

Mr. Jackson explained the role of the consulting architect includes visiting the campuses to look at each capital project that is requested, as well as to get a general overview of the campus condition relative to maintenance, etc. The architect then writes a report for the Council's use in developing its capital budget recommendations. The report includes: 1) a prioritized listing of projects requested to be funded from state funds, 2) a summary of the campus condition/maintenance findings, 3) a description of changes since

the last report, and 4) recommendations on capital construction issues. Mr. Jackson detailed the state process by which CPE contracts for the services of a consulting architect each biennium, then introduced Mr. Banks.

Mr. Banks provided some information on his background and qualifications, noting that he has been a registered architect in Kentucky since 1968. From 1974 through 1976, Mr. Banks served as Facilities Coordinator for the Council on Public Higher Education. Since 1982, he has served 8 consecutive biennia as a consultant to the Council. In addition to reviewing capital budget requests, he has done special reports for the Council such as the 1989 facilities condition report and its 1997 update. Mr. Banks also detailed his involvement in professional associations, positions and contracts he has held at various Kentucky universities, and his specialized training and work on environmental issues, including asbestos.

Responding to the request to address changes he has seen relative to postsecondary education facilities and maintenance over the years, Mr. Banks cited several items. Many major renovation requests are resulting from building systems of the large number of facilities constructed in the 1960's reaching the end of their life expectancy. "Deferred maintenance" has resulted from reductions in facilities maintenance being required to address state budget cutbacks. Roofing technology has improved over the last 20 – 25 years, thus allowing state money to be spent on more important items. Other issues which have increased in importance in recent years are energy conservation, government mandates and code compliance (such as the Americans with Disabilities Act), hazardous materials, fire and life safety, and indoor air quality.

Mr. Banks said he had also been asked to comment on maintenance of off-campus facilities, such as farms and remote teaching sites. He said the differences are subtle, but that often there are fewer personnel to handle maintenance needs at these locations so the problems may go longer without be attended to. Additionally, much of the expertise and equipment needed to address problems may be some distance away at the main campus.

With regard to issues for the future, Mr. Bank identified the following: the impact of technology (teleconferencing, networking, the Internet, energy conservation, and security); increasing code compliance requirements; the changing use of some facilities such as dormitories; the need for maintenance and expansion of campus physical plants and utility distribution systems in order that new facilities can continue to be built; the loss of years of experience as a number of long-time physical plant directors begin retiring; and the increasing importance of security systems relative to building access and monitoring of activity within buildings.

Mr. Banks concluded by making some recommendations about postsecondary education capital construction. They were: that there continue to be an independent

consultant to review facilities and projects; that a central agency staff be created to help institutions address issues needing expertise that may not be available on campus; that the facilities condition assessments continue on a regular basis; that, to better control project budgets, programming and planning pools be used to conceptualize projects before funding is provided for design; that funding be provided for maintenance on a continuing basis so that such projects do not have to compete with other construction needs; and that, to the extent possible, maintenance funds be insulated from state budget cuts.

There being no questions from members, Chairman Nesler thanked Mr. Jackson and Mr. Banks for their presentation.

Chairman Nesler said at the next meeting the Board would approve guidelines for the agencies to use in submitting the 1998–2004 capital plans and would also continue its review of state facilities maintenance. He then again recognized Senator Pendleton who thanked the Board for coming to Western Kentucky and MuSU.

Upon a motion by Mr. Karibo, the meeting was adjourned and members were given a tour of the MuSU campus.